Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 00220 202311Z

66
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 COME-00 PA-01 PRS-01 USIA-06

TRSE-00 OMB-01 CIEP-01 CEA-01 SIL-01 LAB-04 CIAE-00

INR-07 NSAE-00 RSC-01 CAB-02 SS-15 NSC-05 SP-02 H-01

L-02 /071 W
---------- 100611
R 202255Z JAN 75
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 5445
INFO AMCONSUL MONTREAL

LIMITED OFFICIAL USE OTTAWA 0220

E.O. 11652: N/A
TAGS: EIND, ETRN, CA
SUBJECT: AEROSPACE INDUSTRY: CANADAIR
ACQUISITION AND THE FUTURE OF UNITED AIRCRAFT

REF: OTTAWA 0111

1. GOC FORMALLY ANNOUNCED JANUARY 15 IT HAD OBTAINED FROM GENERAL DYNAMICS NINE-MONTH OPTION FOR PURCHASE OF CANADAIR LTD. PLANT IN MONTREAL. PURCHASE PRICE WILL BE $36.65 MILLION PLUS AN ADJUSTMENT FROM PROFITS REALIZED AFTER JANUARY 1, 1974, NOT TO EXCEED $1.5 MILLION, WITH TOTAL PRICE NOT IN EXCESS OF $38.15 MILLION. ANNOUNCEMENT EMPHASIZED THAT GOC NOT ACTUALLY TAKING OVER CONTROL OF FIRM AT THIS TIME. INDUSTRY, TRADE AND COMMERCE (ITC) MINISTER GILLESPIE ALSO REITERATED PREVIOUS STATEMENTS THAT GOC DOES NOT INTEND OWN AND OPERATE EITHER CANADAIR OR PREVIOUSLY ACQUIRED DE HAVILLAND ON A PERMANENT BASIS: "THE SCENE IS NOW SET FOR RESPONSIBLE CANADIAN INTERESTS TO MAKE PROPOSALS TO THE GOVERNMENT FOR THE OPERATION AND FUTURE DEVELOPMENT OF THESE AIRFRAME MANUFACTURING COMPANIES."
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 00220 202311Z

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

WM ANNOUNCEMENT WARMLY RECEIVED BY MONTREAL GAZETTE. JANUARY 18 EDITORIAL URGED GOC ALSO CONSIDER INCORPORATING UNITED AIRCRAFT OF CANADA LTD. INTO INDUSTRY RATIONALIZATION UNDER DEVELOPMENT. GAZETTE URGED THIS IN VIEW OF PREVIOUS HEAVY PUBLIC SUBSIDIES TO A CORPORATION THAT HAS YET "TO REPATRIATE ALL OF THE PRODUCTION MOVED TO THE U.S. AS A RESULT OF LABOR STRIFE IN CANADA."

3. COMMENT: REPATRIATION OF THIS PRODUCTION IS STILL OF CONCERN TO GOC. DOUGLAS ARTHUR, GENERAL DIRECTOR, TRANSPORTATION INDUSTRIES BRANCH, ITC, HAS TOLD TCO THAT GOC HAS DIRECTED THE HARTFORD MANAGEMENT TO ACHIEVE THIS QUICKLY AND TO MAKE ARRANGEMENTS FOR THE FUTURE WHEREBY WORK ON ENGINES FINANCIALLY SUPPORTED BY GOC IS ONLY UNDERTAKEN AT THE CANADIAN PLANT. ARTHUR ALSO INDICATED FEDERAL GOVERNMENT HAD NO INTENT TO INTERVENE IN YEAR-OLD LABOR DESPUTE BUT IT WOULD NOT BE SURPRISED IF QUEBEC GOVERNMENT DID SO.
PORTER

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, AEROSPACE INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA00220
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750021-1087
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750137/aaaabgln.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 OTTAWA 0111
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2003 by SmithRJ>; APPROVED <06 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AEROSPACE INDUSTRY: CANADAIR ACQUISITION AND THE FUTURE OF UNITED AIRCRAFT
TAGS: EIND, ETRN, CA, GENERAL DYNAMICS, CANADAIR LTD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006